Distr.
GENERAL

IDB.11/15/Add.1
29 June 1993

ORIGINAL: ENGLISH

United Nations Industrial Development Organization

Industrial Development Board

Eleventh session
Vienna, 28 June - 2 July 1993
Agenda item 6

REPORT OF THE PROGRAMME AND BUDGET COMMITTEE ON THE WORK OF ITS NINTH SESSION

Addendum

Resumed ninth session
(28 June 1993)

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Introduction

1. The Programme and Budget Committee resumed its ninth session at UNIDO Headquarters, Vienna International Centre, on 28 June 1993 under the chairmanship of J. Y. Jamal (Qatar).

2. In accordance with its conclusion 93/4, paragraph (h), the Committee resumed consideration of item 6 of the agenda of its ninth session, i.e. programme and budgets, 1994-1995.

3. The following 23 members of the Committee participated in the resumed session: Algeria, Austria, Brazil, Bulgaria, China, Colombia, Cuba, Egypt, France, Germany, India, Italy, Japan, Mexico, Netherlands, Nigeria, Philippines, Poland, Qatar, Russian Federation, Sweden, United Kingdom of Great Britain and Northern Ireland, United States of America.

4. The following 54 Member States of UNIDO also attended the session: Argentina, Australia, Belarus, Belgium, Bolivia, Cameroon, Canada, Chile, Costa Rica, Democratic People's Republic of Korea, Denmark, Ecuador, Ethiopia, Finland, Ghana, Greece, Hungary, Indonesia, Iran (Islamic Republic of), Iraq, Ireland, Israel, Jordan, Kuwait, Kyrgyzstan, Lebanon, Luxembourg, Morocco, Namibia, Nepal, Nicaragua, Norway, Oman, Pakistan, Panama, Paraguay, Peru, Portugal, Republic of Korea, Romania, Saudi Arabia, Slovakia, Slovenia, Spain, Sudan, Switzerland, Thailand, Trinidad and Tobago, Tunisia, Turkey, Ukraine, Venezuela, Yemen, Zimbabwe.

5. The United Nations Development Programme, the United Nations Educational, Scientific and Cultural Organization, the Arab Union for Cement and Building Materials and the Commission of the European Communities were represented.

6. The report of the resumed session of the Committee is submitted to the Industrial Development Board in accordance with Article 10.4 (d) of the Constitution.

7. The report contains the conclusion reached by the Committee. Statements made in connection with the adoption of the conclusion are contained in annex I to the report. Annex II contains a list of documents submitted to the Committee at its resumed ninth session.

8. The conclusion adopted by the Committee as reported below was brought to the attention of the Board at its eleventh session.

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I. PROGRAMME AND BUDGETS, 1994-1995

9. The Committee considered the revised proposals of the Director-General for the programme and budgets, 1994-1995 (IDB.11/2/Rev.1 and Add.1) and, after consideration of the draft conclusion on the programme and budgets, 1994-1995 contained in document IDB.11/2/Rev.1/Add.1, chapter III, the Committee adopted the following conclusion:

Conclusion 93/11

The Programme and Budget Committee:

(a) Considered the proposals of the Director-General for the programme of work, 1994-1995, and the corresponding total resource requirements by major programmes to be financed from the regular and operational budgets, as contained in document PBC.9/2-IDB.11/2 and revised in PBC.9/2/Rev.1-IDB.11/2/Rev.1 and Add.1;

(b) Noted that the exchange rate applied in those estimates was US$ 1 = AS 12.90 for the regular and operational budgets and that those estimates would be adjusted in accordance with financial regulation 5.1, paragraph (d), prior to the end of the fifth session of the General Conference;

(c) Noted that the inflation rates would also be updated prior to the end of the fifth session of the General Conference;

(d) Recommended that the Industrial Development Board:

(i) Submit to the General Conference for consideration and approval the programme and budgets for 1994-1995 as contained in documents PBC.9/2-IDB.11/2 and revised in PBC.9/2/Rev.1-IDB.11/2/Rev.1 and Add.1;

(ii) Recommend to the General Conference the approval on the basis of an exchange rate of US$ 1 = AS 12.90 of gross appropriations in the amount of $229,905,200 for the regular budget of the Organization in 1994-1995 as reflected in the following table;

(iii) Recommend that the foregoing net appropriations be financed from payments of contributions by Member States under the provisions of financial regulation 5.5(e), amounting to $196,924,600 at an exchange rate of US$ 1 = AS 12.90 ($23,630,900 plus the equivalent in US dollars of AS 2,235,488,730) in accordance with decisions to be adopted by the General Conference at its fifth session concerning the scale of assessments;

(iv) Recommend to the General Conference the approval of estimates of expenditure totalling $35,222,400 at an exchange rate of US$ 1 = AS 12.90 for the purpose of the operational budget for the biennium 1994-1995 to be financed from voluntary contributions and such other income as might be provided for in the financial regulations.

	Gross appropriations	Estimated income	Net appropriations
		(in United States dollars)	
Policy-making Organs, External Relations, Public Information, Language and Documentation Services	31,198,200	2,685,400	28,512,800
General Management	6,561,600	-	6,561,600
Programme and Project Development	36,519,900	-	36,519,900
Industrial Promotion, Consultations and Technology	21,722,600	-	21,722,600
Industrial Operations	36,505,500	-	36,505,500
Common Programmes	17,187,500	-	17,187,500
Vienna International Centre (VIC)-related Services	43,677,900	26,004,000	17,673,900
Administration	36,532,000	2,695,800	33,836,200
Miscellaneous Income	-	1,595,400	(1,595,400)
Total	229,905,200	32,980,600	196,924,600

Note: The amounts presented in the table are to be adjusted in accordance with the adjustment formula presented at the end of the present decision to take account of exchange rate variations during

Adjustment formula in US dollars

	US dollars	Austrian schillings
Gross appropriations		
Policy-making Organs, External Relations, Public Information, Language and Documentation Services	3,011,600	+ (363,607,100/R)
General Management	687,000	+ (75,782,500/R)
Programme and Project Development	4,238,300	+ (416,432,000/R)
Industrial Promotion, Consultations and Technology	3,163,300	+ (239,414,900/R)
Industrial Operations	3,951,700	+ (419,944,300/R)
Common Programmes	4,144,400	+ (168,255,530/R)
Vienna International Centre (VIC)-related Services	2,981,300	+ (524,985,900/R)
Administration	4,038,900	+ (419,161,500/R)
Subtotal - Gross appropriations	26,216,500	+ (2,627,583,730/R)
Estimated Income		
Policy-making Organs, External Relations, Public Information, Language and Documentation Services	271,600	+ (31,138,100/R)
Vienna International Centre (VIC)-related Services	1,399,400	+ (317,399,200/R)
Administration	198,100	+ (32,220,500/R)
Miscellaneous	716,500	+ (11,337,200/R)
Subtotal - Estimated income	2,585,600	+ (392,095,000/R)
TOTAL NET APPROPRIATIONS	23,630,900	2,235,488,730

Note 1: The net appropriations shown above assume a ratio of 12 per cent in US dollars and 88 per cent in Austrian schillings at an exchange rate of US$ 1 = AS 12.90.

Note 2: R represents the average United Nations exchange rate for Austrian schilling to US dollar which will be experienced during 1994-1995.

II. ADOPTION OF THE REPORT AND CLOSURE OF THE NINTH SESSION

10. On 28 June at 3.45 p.m., the Committee closed its ninth session, having entrusted the Rapporteur with the preparation and finalization of the report of its resumed ninth session.

Annex I

STATEMENTS BY DELEGATIONS

1. The present annex contains statements of principle delivered by delegations in connection with the adoption of conclusion 93/11 at the Programme and Budget Committee during its resumed ninth session. These statements have been included at the request of the delegations concerned and as agreed to by the Chairman.

2. The delegation of Austria, while commending the Secretariat on the preparation of document PBC.9/2/Rev.1/Add.1, was concerned that the list of countries with assessed contributions contained the name of Yugoslavia although at its ninth session the Programme and Budget Committee had adopted conclusion 93/2, in which it had recommended to the General Conference to approve the adjustments to the 1992-1993 scale of assessments as described in paragraphs 9 to 13 of the report on the financial situation of UNIDO (PBC.9/8). In paragraph 12 of that report it was stated that "If it is not to be assumed that the Federal Republic of Yugoslavia has succeeded to the membership in UNIDO of the former Socialist Federal Republic of Yugoslavia, there will be no assessment of Yugoslavia". Furthermore, at its first special session on 30 March this year, the General Conference of UNIDO had adopted a decision which (a) excluded Yugoslavia from participating in the work of all political organs of UNIDO, and (b) stated that the Federal Republic of Yugoslavia (Serbia and Montenegro) could not continue automatically the membership of the former Yugoslavia. The delegation requested clarification from the Secretariat, as to why Yugoslavia had been listed under the countries with assessed contributions, thus ignoring the resolution of the General Conference as well as the conclusion of the Programme and Budget Committee. The Socialist Federal Republic of Yugoslavia had ceased to exist and it did not seem logical to assess financially a country that did not exist. Even under the absurd assumption that the former Yugoslavia still existed, it seemed illogical to invite on the one hand a country to contribute to UNIDO's budget and to exclude it on the other hand from the participation in all organs and thus prevent it from deciding what was happening to its contribution. The delegation said that Yugoslavia should be deleted from the list of contributors paying assessed contributions to UNIDO. Should this, however, not be the case, it would like to emphasize once more that the inclusion of Yugoslavia in the list as one of UNIDO's contributors should in no way be a precedent for recognizing the Federal Republic of Yugoslavia as a successor State to the former Yugoslavia.

3. The delegation of the Russian Federation said that in relation to the statement of the representative of Austria, PBC conclusion 93/2, paragraph (e), referred to the adjustment of the scale of assessments for 1992-1993 and not to the 1994-1995 period which was the subject under consideration. In the view of that delegation, the Yugoslav question was not an issue to discuss at the present session; it merely deflected the attention of members of the Committee from the basic issues. The question of the exclusion of any particular country, including Yugoslavia, from the scale of assessments was the prerogative of the United Nations Committee on Contributions which operated within the framework of the United Nations General Assembly. The question was political in essence and should be examined by the General Assembly of the United Nations, as had been the case in the past and would continue to be in the future. Accordingly, the delegation proposed as the only acceptable course of action to leave this question for the consideration of the forthcoming General Conference of UNIDO, especially since by that time the question might be clarified.

Annex II

DOCUMENTS SUBMITTED TO THE RESUMED NINTH SESSION

PBC.9/2 IDB.11/2	Programme and budgets, 1994-1995. Proposals of the Director-General
PBC.9/2/Rev.1 and Add.1 IDB.11/2/Rev.1 and Add.1	Programme and budgets, 1994-1995. Revised proposals of the Director-General